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*REMARKS BY

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FY 2002 BUDGET PRESS CONFERENCE

EASTERN BRANCH, BOYS AND GIRLS CLUBS
OF GREATER WASHINGTON

WASHINGTON, D.C.

*THIS TEXT IS THE BASIS OF SECRETARY THOMPSON'S ORAL REMARKS. IT
SHOULD BE USED WITH THE UNDERSTANDING THAT SOME MATERIAL MAY BE
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Thank you to each of you for coming, and thank you to the Eastern Branch of the Boys and Girls Club of Greater Washington for welcoming us here today.

We are breaking a bit from tradition by holding this budget news conference outside of the Department of Health and Human Services building for a very simple reason. This administration, as demonstrated by this budget, is not beholden to the status quo and the old way of doing things.

This budget is about people and how we can help them live healthier and better lives. Our focus is to build on successful existing programs with new and innovative methods to promote the health and safety of America, to make sure no child is left behind. This goal is clearly reflected in the president's ambitious agenda for the nation as a whole, and especially for the Department of Health and Human Services.

The president's budget is a promise kept to our families to increase access to health care for all Americans, to increase support for our children and families, and to work tirelessly to find cures for our most crippling and deadly diseases.

And this Boys and Girls Club in Washington is an excellent example of how this administration will work in partnership with community organizations, as well as state and local governments, to find creative solutions to some of our most deeply rooted problems.

And some of those creative solutions exist right here in Washington – not in the halls of government, but rather in the neighborhoods of this great city. They are grassroots solutions that we would do well to heed in official Washington.

And they are representative of the innovative strategies taking place in communities across America. This administration does not just recognize these efforts, but we're committed to supporting them and helping them succeed to even greater levels.

So I would like to stop for a minute and let you hear about a couple of the activities here in the Washington area that are making a difference in the health and well-being of our families. They are successful initiatives that can be adopted across America, and with the help of this president and this budget, they will be.

I'd like you to hear from Robby Callaway, the senior vice president of the Boys and Girls Clubs of America. Following Robby will be Curtis Watkins, president of the East Capital Center for Change ... and from Miguel Reyes of the Young Fathers Program in Arlington, Virginia.

Thank you very much. The people here with us today truly know what works in helping families and children because they work closely with their community day in and day out. And instead of the federal government just telling them what to do, we need to listen to them more and help them build upon their successes – as their partners. These are the compassionate, innovative efforts we talk about when we say we are going to set our own priorities while building on existing programs to strengthen America's families.

Now, I'd like to discuss the president's budget for the department.

The budget request for the Department of Health and Human Services is increased significantly for fiscal year 2002. We are seeking \$468.8 billion for all programs – an 8.9 percent increase over 2001 – and \$55.5 billion for discretionary programs – a 5.1 percent increase.

So as you can see by those numbers, this budget provides generous and healthy spending increases for our department.

But, like President Bush's budget as a whole, the HHS budget is fundamentally sound and puts discretionary funding at a more reasonable and responsible growth rate than in previous years. Anyone expecting a continuation of the 15 percent increase in discretionary spending from last year's "fiscal holiday" in this town was setting unreasonable expectations. Clearly, the American people don't expect annual budgets to be growing by double-digits, for their family budgets certainly don't grow at that pace.

The president's budget is responsive to children and families who need a helping hand while being responsible to the taxpayers who offer that hand. Overall, there are more than \$4 billion in increases to the fiscal year 2001 budget's discretionary programs.

Now, I know there have been some reports and innuendo that this budget may cut children's programs, so let me be crystal clear: This budget substantially increases the investments the federal government makes in children.

The President is increasing his investment in children not only in our budget at HHS but throughout his overall agenda for America, crossing over several agencies. To suggest otherwise is completely inaccurate and without factual foundation.

Look at the numbers. Overall, the president's budget request asks for \$2.9 billion in increased spending for children – a strong combination of adding to existing programs and investing in new ones to support children who are at risk of being left behind under current policies.

Among our investments in children:

- \$200 million increase to the Safe and Stable Families program to help families in crisis and place children at risk of abuse in a safe, permanent home.
- \$33 million for a new maternity Group Homes program, where teen-age mothers and their children who cannot live with their own families because of abuse or neglect will be provided with safe, stable and nurturing environments.
- A new \$64 million program to strengthen the role of fathers in the lives of their children. We will provide grants to faith-based and community groups that help unemployed or low-income fathers and their families avoid or leave cash welfare. It also will provide grants to programs to promote successful parenting and strengthen marriage.
- We're proposing an 8.6 percent increase for programs to detect birth defects and for early childhood development.
- \$22 million increase for immunization programs at the Centers for Disease Control.
- And Head Start receives a \$125 million increase.

And there also is a new \$67 million program that I am particularly excited about – the Mentoring Children of Prisoners program to help maintain the bond between parents and children during a parent's imprisonment ... and to assist in getting families back together again.

Then there is child care, which contrary to some reports, is receiving a substantial increase from the President – including a new emphasis on after-school child care which is a growing concern and need by our parents.

In fact, the president increases child care spending by \$350 million. This includes a 10 percent increase of \$200 million in the Child Care and Development Block Grant program that will include a new After School Certificate program helping up to 500,000 low-income working parents and their children.

And it includes a nearly 6 percent increase of \$150 million in other child care programs..

So, as even a grocer's son from Elroy can see, the president is making real and substantial increases in spending on child care and other children's programs. Only someone using fuzzy Washington math could suggest otherwise.

The bottom line is that this is a great budget for children and their parents.

This administration also is taking a bold approach to increasing access to quality health care for those who need it most and reducing the number of uninsured in America.

The president has offered a multi-layered approach to increasing access to health care, including helping states come up with innovative solutions that best serve their residents and offering tax breaks to the uninsured who purchase their own health coverage.

Under the Department of Health and Human Services budget, this effort is highlighted by a \$124 million increase for Community Health Centers, which do a wonderful job providing care to people all over America.

Currently, there are 3,200 centers that serve about 11 million patients. The president plans to increase the number of centers by 1,200 and double the number of patients served by 2006.

The president also wants to decrease the number of uninsured by offering tax credits to encourage people to buy health insurance – \$1,000 for singles and \$2,000 for families.

Community health centers and tax credits enhance our efforts at HHS to give states more flexibility in running Medicaid programs, to tailor services in a manner that will most effectively serve their residents. What works in New York City doesn't necessarily work in Green Bay, Wisconsin.

Our renewed partnership with the states is already evident. Since arriving in Washington at the beginning of February, we at HHS have approved 170 waivers and plan amendments for 48 states. That is a commitment the president made to our governors and legislatures, and that is a commitment we are intent on keeping.

We must also renew the promise we made to our seniors in 1965 with the creation of Medicare by providing interim prescription drug coverage to those beneficiaries who need it most under the Immediate Helping Hand program.

This immediate assistance included in the president's budget will give states the temporary financial support they need to protect beneficiaries with limited incomes or very high drug expenses – until full Medicare reform is achieved.

Unlike other plans, this program would build on coverage that is available in over half the states and under consideration in almost all others. It truly is an immediate helping hand for up to 9.5 million of the most vulnerable Medicare beneficiaries.

While pushing for immediate assistance for prescription drugs, it is clear throughout the budget that President Bush takes the long view in promoting the health and well being of America – most notably in his budget for the National Institutes of Health.

The president has proposed a \$2.75 billion increase for NIH, maintaining his commitment to double the agency's budget by fiscal year 2003.

This budget will support a record 34,000 research project grants, with increased emphasis on groundbreaking projects that show greatest potential, including genetic medicine, clinical research and health disparities.

This research is vital, as we truly are on the cusp of finding the cures for some of our most debilitating and deadly diseases.

Included in the NIH budget is \$2.5 billion for AIDS/HIV research. Scientists at NIH and NIH-backed laboratories around the country are doing truly groundbreaking work as they search for a vaccine.

AIDS funding within NIH is part of an overall 7.2 percent increase for AIDS/HIV programs within HHS as a whole for research, treatment and prevention. That includes an 11 percent increase for international AIDS spending.

Any effort to improve the health and well being of our families must have women's health as a vital component.

As my wife and daughters often remind me, women are the primary caregivers in our society. It is usually they who choose the family health care plan and the family doctor. Women pick up the medications, make appointments, make sure the family has had their immunization shots, and buy the groceries to provide proper nutrition and prevention.

Yet, we in this country don't focus enough on the unique health needs of women. This president recognizes that and increases funding for women's health programs to nearly \$70 billion – up nearly \$5 billion from the current level.

That includes a \$10.5 million increase for the Office of Women's Health to give the issue greater prominence within the department as we intensify our focus into research, community outreach and access to health care.

Likewise, there is a 33 percent increase for organ transplantation programs at HRSA, a vital need for this nation and an issue I am particularly concerned about.

This budget initiative will work hand in hand with a national campaign we will launch in the coming weeks to raise organ donation awareness. There is a waiting list of at least 75,000 Americans who need an organ, and it is time that it is brought to the forefront of our health care agenda.

As I said before, the president's budget proposal is filled with funding for innovative programs that build on what already is working at the Department of Health and Human Services: a \$100 million increase for substance abuse treatment services, a 50 percent increase for abstinence programs, a \$16 million increase for research into infectious diseases, and a \$5 million increase to help the nation overcome a nursing shortage.

The budget also includes \$150 million to rebuild and improve laboratories and other facilities at the Centers for Disease Control in Atlanta. Work at these CDC laboratories is relied upon worldwide to help control disease outbreaks and prevent illness and injury.

Food safety also is among our top priorities. The president's budget request for the Food and Drug Administration includes a 16 percent increase to help address such important issues as BSE prevention, pesticides, food biotechnology and further ensuring the safety of food imports.

We also are investing in modernizing and reforming the Health Care Financing Administration. I recently visited HCFA, and I saw an agency that has been strapped with excess regulations and responsibility without receiving the resources necessary to do its job effectively.

HCFA offices are filled with hundreds of dedicated employees, but also with outdated computer systems, a cumbersome bureaucracy, and demands that have spread the agency too thin, for too long. HCFA needs our help now, so it can help you and the American people.

Therefore, we are dedicating \$36 million to update antiquated information technology systems and we are working to ensure HCFA is more responsive, efficient and flexible in dealing with states and health care providers in its daily operations.

To conclude, the president is sending his budget to the Congress today. Sometimes we say a budget is going from one end of Pennsylvania Avenue to the other. But we need to remember that Pennsylvania Avenue needs to stretch beyond the beltway to the byways of our communities and neighborhoods across America. And that's the focus and emphasis President Bush is bringing to this budget – reaching out to Americans in partnership so that no one is left behind.

We're here at the Boys and Girls Club, along with Curtis and Miguel, to help us keep that perspective in mind. These are the people we're working for as we begin discussion of this budget. And we need to come together, both parties, to do what's right for the health and well-being of American families.

As William McKinley once said, "Our differences are politics; our agreements, principles."

The President is putting forth a bold, bipartisan vision for America. This budget presents an opportunity for us to come together, to let our principles override politics ... to work together to build a healthier and stronger America.

Thank you very much.